

## Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 05962 280840Z  
ACTION EB-07

INFO OCT-01 SS-15 SP-02 INR-07 EUR-12 NSC-05 TRSE-00 FEA-01

ISO-00 NEA-10 /060 W

-----280935Z 007620 /12-S

R 280712Z DEC 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 6924

INFO AMEMBASSY BEIRUT

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY BONN

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS UNN

USMISSION EC BRUSSELS

CONFIDENTIAL KUWAIT 5962

E.O. 11652: GDS

TAGS: ENRG, OPEC, KU

SUBJ: KUWAIT FOREIGN MINISTER'S COMMENTS ON DOHA OPEC MEETING

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 05962 280840Z

REF: KUWAIT 5348

1. DURING MY CALL ON FOREIGN MINISTER SHAIKH SABAH AL-AHMAD AL-JABER AL-SABAH DEC 27 ON ANOTHER SUBJECT, WE REVIEWED OUTCOME OF OPEC MEETING AT DOHA WHICH RESULTED IN PRICE INCREASE SPLIT BETWEEN SAUDI ARABIA/UNITED ARAB EMIRATES AND REMAINING

ELEVEN OPEC MEMBERS INCLUDING KUWAIT. I EXPRESSED MY SURPRISE THAT KUWAIT HAD GONE ALONG WITH THE ADDITIONAL 5 PERCENT INCREASE ABOVE THE ORIGINAL 10 PERCENT, PARTICULARLY IN VIEW OF THE FACT THAT ACTING AMIR HAD TOLD ME GOK WAS NOT SEEKING LARGE INCREASE AND WOULD COORDINATE WITH SAUDI ARABIA, ALTHOUGH I ADMITTED HE DID SAY KUWAIT WOULD GO ALONG WITH OPEC MAJORITY. (REFTEL).

2. SABAH AL-AHMAD INDICATED THAT THIS LAST POINT WAS DETERMINING FACTOR FOR GOK, BUT EXPRESSED HIS DISSATISFACTION WITH THE MEETING RESULTS AND PARTICULARLY OVER THE BLAME WHICH KUWAIT SEEMS TO HAVE RECEIVED AS A RESULT OF ITS LEADING ROLE IN ARRANGING A 10-15 PERCENT COMPROMISE AMONG ELEVEN OPEN MEMBERS. FOREIGN MINISTER ASSURED ME THAT GOK OIL MINISTER WENT TO DOHA MEETING WITH INSTRUCTIONS NOT TO AGREE TO MORE THAN 10 PERCENT PRICE INCREASE. IN FACT, KUWAIT DEL HAS SUBMITTED RESOLUTION CALLING FOR 10 PERCENT INCREASE (REFTEL). KUWAIT'S RESOLUTION HAD ANGERED SEVERAL OPEC MEMBERS INCLUDING IRAN, IRAQ, LIBYA AND ALGERIA.

3. MOST OF ALL, HOWEVER, SABAH AL-AHMAD WAS DISMAYED BY SAUDI TACTICS IN ADVANCING THEIR POSITION OF FIRST A PRICE FREEZE AND EVENTUALLY A 5 PERCENT INCREASE. THE FOREIGN MINISTER SAID THAT THE GOK HAD RECEIVED A LETTER FROM KING KHALID ANNOUNCING THE "FREEZE" POSITION THE VERY SAME DAY THE OPEC MEETING BEGAN. THIS WAS NO PREVIOUSW CONSULTATIONS ON THIS MATTER. THEN, YAMANI LEFT MEETING TO CONSULT WITH HIS GOVERMENT AND AFTER HIS RETURN WOULD NOT DEIGN TO PARTICIPATE IN INFORMAL NIGHTTIME MINISTERIAL GET-TOGETHER WHICH TOOK PLACE IN OIL MINISTER KAZIMI'S HOTEL ROOM. SABAH AL-AHMAD CONSIDERED CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUWAIT 05962 280840Z

THAT YAMANI'S TACTIS OF ATTEMPTING TO DICTATE THE SAUDI POSITION TO THE OTHERS WAS SIMPLY NOT ACCEPTABLE. HE INSISTED THAT KUWAIT DID NOT FOLLOW ANYONE'S POLICY BUT ITS OWN AND INDICATED THAT OTHER OPEC NATIONS REACTED IN THE SAME WAY TO SAUDI HIGH-HANDEDNESS.

4. WHILE SOME MIGHT CONSIDER 10 PERCENT PRICE INCREASE MODEST--A VIEW WITH WHICH I SAID I COULD NOT AGREE--I TOLD SABAH AL-AHMAD THAT I FELT THE DECISION TO RAISE PRICE BY 15 PERCENT AFTER SIX MONTHS WAS NOT A MODERATE STEP BY ANY REASONABLE STANDARD. SABAH AL-AHMAD REITERATED KUWAIT'S DESIRE NOT TO EXCEED 10 PERCENT AND SAID THAT IT HAD SUPPORTED COMPROMISE ONLY TO MAINTAIN SOLIDARITY AMONG REMAINING OPEC MEMBERS. HE FLET THAT ADDITIONAL 5 PERCENT INCREASE MIGHT NOT BE IMPLEMENTED, NOTING THAT THERE WOULD BE MEETINGS BEFORE JULY WHERE THIS SUBJECT WOULD BE DISCUSSED. HE DID NOT, HOWEVER, COMMIT KUWAIT--IN RESPONSE TO MY QUERY--TO A POSITION HOLDING TO A 10 PERCENT INCREASE ONLY.

5. AS WE ENDED OUR DISCUSSION OF THIS SUBJECT, SABAH AL-AHMAD AGAIN EXPRESSED HIS DISMAY AT OPEC MEETING OUTCOME AND ASSERTED THAT KUWAIT DID NOT WANT TO BE REGARDED AS A PROONENT FOR A LARGER INCREASE. IN FACT, HE TOLD ME THAT KUWAIT WAS GOING TO RESTRICT ITS OIL PRODUCTION IN 1977 TO 1.2 MILLION B/D SUGGESTING THAT THEY WERE ALREADY MAKING ENOUGH MONEY OFF OIL AS IT WAS.

6. COMMENT: SABAH AL-AHMAD WAS GREATLY CONCERNED THAT KUWAIT WOULD BE GROUPED AMONG MORE GREEDY OPEC MEMBERS SUCH AS IRAN, IRAQ, LIBYA, ETC. WHILE KUWAIT DOES NOT REALLY BELONG IN THIS GROUP, GOK CERTAINLY DID NOT DEMONSTRATE ANY PARTICULARLY FIRMNESS IN HOLDING TO A 10 PERCENT INCREASE AS ITS UPPER LIMIT. THERE MAY BE A POSSIBILITY THAT GOK COULD BE CONVINCED TO OPPOSE THE FURTHER 5 PERCENT INCREASE IN JULY, PARTICULARLY IF SAUDI ARABIA WOULD BE WILLING TO RAISE ITS PRICE INCREASE TO 10 PERCENT, WHICH IS WHAT FOREIGN MINISTER SEEMED TO FEEL

CONFIDENTIAL

PAGE 04 KUWAIT 05962 280840Z

WOULD TAKE PLACE. REDICTION OF KUWAIT DAILY PRODUCTION LEVEL AS MENTIONED ABOVE MAY NOT BE INDEPENDENT GESTURE ON PART OF KUWAIT, BUT RATHER A REALISTIC APPRECIATION OF REDUCED SALES POTENTIAL FOR HEAVY HIGH-SULFUR KUWAIT CRUDE IN A MORE COMPETITIVE MARKET.

MAESTRONE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PERSONAL OPINION, PETROLEUM, PRICES, CONSORTIUMS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 DEC 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976KUWAIT05962  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760473-0846  
**From:** KUWAIT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761210/aaaaaimj.tel  
**Line Count:** 145  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 KUWAIT 5348  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31 MAR 2004 by hartledg>; APPROVED <02 AUG 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KUWAIT FOREIGN MINISTER'S COMMENTS ON DOHA OPEC MEETING CONFIDENTIAL CONFIDENTIAL  
**TAGS:** ENRG, KU, OPEC, (AL-SABAH, SABAH L-AHMAD AL-JABER)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006